

FINANCIAL ASSISTANCE FOR HEALTH CARE PROVIDERS

Overview

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Paycheck Protection Program and Health Care Enhancement Act include significant financial assistance specifically for health care providers.

In addition, health care workers and providers may be eligible for assistance for unemployment insurance and small businesses. Small businesses and 501(c)(3) non-profit organizations, including hospitals, health systems, and health care providers, are eligible to apply for the Small Business Administration's [Paycheck Protection Program](#). Other assistance includes the [Economic Injury Disaster Loan and Emergency Grant Program](#), the [Small Business Debt Relief Program](#), and [unemployment insurance](#). Fact sheets on those programs are available on Senator Schatz's [website](#).

In addition to the assistance described in this fact sheet, funding will be available to the state for testing, personal protective equipment, and other critical medical supplies.

Health Care Provider Grant Program

The CARES Act provides \$100 billion and the Paycheck Protection Program and Health Care Enhancement Act provides \$75 billion in grants to health care providers to reimburse for health care related expenses or lost revenues that are attributable to the coronavirus.

On April 10, the Department of Health and Human Services (HHS) released an initial \$30 billion of this funding to providers based on their share of 2019 Medicare fee-for-service reimbursements.

Eligibility:

- Eligible health care providers are all health care entities that provide diagnoses, testing, or care for individuals with possible or actual cases of coronavirus.

How to apply:

- To date, HHS has not required providers to submit applications before receiving funds, but has required providers to make certain attestations upon receiving funds.
- The HHS Secretary may require grant recipients to submit reports and maintain documentation.
- HHS will make payments on a rolling basis, in order to provide grants quickly.

Use of funds

- Funds may be used for all non-reimbursable expenses attributable to coronavirus. These funds may not be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.
- Even if qualified expenses are eligible for reimbursement from another mechanism, an entity may still apply for funding from this fund while simultaneously applying for funding from other sources. However, should an entity subsequently receive reimbursement for expenses from any other source after receiving funding for the same expenses from this fund, the entity will be required to re-pay the funding it received from this fund.

- The funds may be used for building or construction of temporary structures, leasing of properties, medical supplies and equipment including PPE and testing supplies, increased workforce and trainings, emergency operation centers, retrofitting facilities, and surge capacity.

Community Health Centers

The CARES Act provides \$1.32 billion in supplemental awards for community health centers for the prevention, diagnosis, and treatment of coronavirus. This is in addition to the \$100 million for community health centers from the Coronavirus Preparedness and Response Supplemental Appropriations Act. Community health centers are also eligible for the grant funding described above.

Increased Medicare Payments

The CARES Act increases Medicare payments in the following ways:

- Under the Medicare Inpatient Prospective Payment System, for any discharges of an individual diagnosed with COVID-19 occurring during the coronavirus public health emergency, the weighting factor that would otherwise apply to the diagnosis-related group (DRG) is increased by 20 percent.
- The CARES Act exempts Medicare payments from the two percent payment reduction under sequestration from May 1, 2020 to December 31, 2020.
- The CARES Act also delays reductions in Medicare payments for durable medical equipment and clinical diagnostic laboratory tests.

Medicare Hospital Accelerated Payment Program

The CARES Act expands the existing Medicare accelerated payment program to ensure a reliable and stable cash flow for hospitals.

- Qualified facilities – acute care hospitals, critical access hospitals (CAHs), children's hospitals, and prospective payment system-exempt cancer hospitals – will be able to request accelerated Medicare payments for inpatient hospital services.
- Rather than waiting until claims have been processed to issue payment, Medicare will work with qualified hospitals to estimate their upcoming payments and give that money to the hospital in advance.
- Qualified facilities can request a lump sum or periodic payment reflecting up to six months of Medicare services.
- Most hospitals can elect to receive up to 100 percent of the prior period payments, and CAHs can receive up to 125 percent.
- Accelerated payments must be repaid to Medicare, however a qualifying hospital would not be required to start paying Medicare back for four months after receiving the first payment. Hospitals would have at least 12 months to complete repayment without paying interest.
- Hospitals interested in receiving accelerated payments should contact their Medicare Administrative Contractor (MAC). To learn which MAC to contact, please visit [this site](#).